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TOWN OF ACTON
472 Main Street
Acton, Massachusetts, 01720
Telephone (978) 264-9622
Fax (978) 264-9630

Brian McMullen
Assistant Assessor

To: Steve Ledoux
From: Brian McMullen
CC: John Murray
Date: December 4, 2009
Re: FY'10 Tax Classification Hearing

The Board of Assessors provide the Board of Selectmen with certified values for the Tax Classification Hearing. The Board will use these values as they vote on the tax burden to be borne by residential and commercial properties. However, the Assessors have not been able to receive final sign-off on "New Growth". This signoff is needed to set the final tax rate. The Department of Revenue has cited heavy workload as the major reason for delays in its part of the certification process. The Assessors will present on Monday evening December 7, 2009, the underlying concepts/theory of the actions the Board must decide upon at this formal classification hearing. Final "New Growth" approval is not required to hold the hearing. The main objective of this hearing is to adopt a residential factor and/or adopt specific exemptions that ultimately results in a specific tax rate.

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Assessed Value by Class

(\$ MIL)

CLASS	2004	2005	2006	2007	2008	2009	2010	% Change 09 - 10
Residential	2,898.8	3,103.2	3,318.8	3,426.4	3,335.0	3,252.8	3,257.5	0.14%
Open Space	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00%
Commercial	282.0	287.1	310.3	365.0	358.2	336.3	321.1	-4.53%
Industrial	98.7	98.7	106.7	115.2	111.5	103.5	97.9	-5.44%
Personal Property	49.1	53.2	40.5	41.3	46.7	58.6	64.9	10.72%
TOTALS	3,328.7	3,542.3	3,776.4	3,948.0	3,851.4	3,751.3	3,741.4	-0.26%

("Mixed Use" valuations have been included in the appropriate classes)

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Percentage of Total Valuation

	2004	2005	2006	2007	2008	2009	2010
R & O	87.1%	87.6%	87.9%	86.8%	86.6%	86.7%	87.1%
(Residential & Open Space)							
C I P	12.9%	12.4%	12.1%	13.2%	13.4%	13.3%	12.9%
(Commercial, Industrial, Personal Property)							

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Number of Parcels

CLASS	2004	2005	2006	2007	2008	2009	2010	% Change 09 - 10
Residential	7,447	7465	7583	7698	7763	7813	7,817	0.05%
Mixed Use	84	83	85	51	49	49	46	-6.12%
Commercial	367	369	367	367	367	367	367	0.00%
Industrial	93	92	104	115	112	114	112	-1.75%
Personal Property	262	300	279	274	273	255	243	-4.71%
Exempt	421	426	427	427	432	438	439	0.23%
TOTALS	8,674	8735	8845	8932	8996	9036	9,024	-0.13%

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Average Parcel Value by Class

CLASS	2004	2005	2006	2007	2008	2009	2010	% Change 09 - 10
Residential	385,855	412,142	433,949	443,046	427,716	414,533	415,149	0.15%
Mixed Use	555,470	583,457	639,044	556,416	543,520	525,339	499,220	-4.97%
Commercial	724,503	733,061	789,362	961,100	943,841	885,171	846,527	-4.37%
Industrial	1,005,348	1,016,575	972,986	999,910	993,847	906,158	872,125	-3.76%
Personal Property	187,593	177,212	145,265	150,778	150,778	229,832	267,013	16.18%

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Average Values in Residential Class by Segment

SEGMENT	2004	2005	2006	2007	2008	2009	2010	% Change 09 - 10
Single Family	466,751	499,657	529,771	542,140	523,109	507,466	512,103	0.91%
Condominium	268,947	285,324	302,234	304,927	289,008	271,866	258,238	-5.01%
2 Family	394,576	434,266	455,578	474,519	456,925	430,846	430,140	-0.16%
3 Family	446,450	502,947	515,724	547,627	510,724	482,635	512,950	6.28%
Apartments	1,371,284	1,326,100	1,315,880	1,328,774	1,400,091	1,866,991	1,868,278	0.07%
Vacant Land	52,530	46,287	75,658	67,893	77,890	57,304	53,743	-6.21%

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FY 2010 TAX LEVY LIMITATION

FY 2009 Levy Limit	\$	58,969,483
+ 2 - 1/2 % Increase	\$	1,474,237
+ EST'D FY 2010 New Growth	\$	600,747
+ FY 2010 Over-ride	\$	0
FY 2010 LEVY LIMIT SUB-TOTAL	\$	61,044,467
+ FY 2010 Debt Exclusions	\$	3,036,465
FY 2010 LEVY SUB-TOTAL	\$	64,080,932
 FY 2010 VALUE	 \$	 3,741,421,414
2 - 1/2 % (equals ceiling)	\$	93,535,535

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Total Residential Value	3,257,545,318	87.0671%
Total Commercial Value	321,119,694	8.5828%
Total Industrial Value	97,872,285	2.6159%
Total Pers. Prop. Value	64,884,117	1.7342%
TOTAL	3,741,421,414	100.0000%

**FY '10
Levy Amount
64,080,932**

	NO SHIFT	5% Shift	10% Shift	15% Shift	20% Shift
Residential Percentage of Levy	87.0671%	86.4205%	85.7738%	85.1272%	84.4805%
Commercial Percentage of Levy	8.5828%	9.0119%	9.4411%	9.8702%	10.2994%
Industrial Percentage of Levy	2.6159%	2.7467%	2.8775%	3.0083%	3.1391%
Pers. Prop. Percentage of Levy	1.7342%	1.8209%	1.9076%	1.9943%	2.0810%
	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%

Residential Factor

100.00%	99.26%	98.51%	97.77%	97.03%
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	NO SHIFT	5% Shift	10% Shift	15% Shift	20% Shift
Residential \$ Share of Levy	55,793,408	55,379,061	54,964,650	54,550,303	54,135,892
Commercial \$ Share of Levy	5,499,938	5,774,910	6,049,945	6,324,916	6,599,952
Industrial \$Share of Levy	1,676,293	1,760,111	1,843,929	1,927,747	2,011,565
Pers. Prop. \$ Share of Levy	1,111,292	1,166,850	1,222,408	1,277,966	1,333,524
	64,080,931	64,080,932	64,080,932	64,080,932	64,080,933

	NO SHIFT	5% Shift	10% Shift	15% Shift	20% Shift
Residential Tax Rate	17.12	17.00	16.87	16.74	16.61
Commercial Tax Rate	17.12	17.98	18.84	19.69	20.55
Industrial Tax Rate	17.12	17.98	18.84	19.69	20.55
Pers. Prop. Tax Rate	17.12	17.98	18.84	19.69	20.55

Dollar change in Tax Rate from 08 to proposed 09 Rates ...	NO SHIFT	5% Shift	10% Shift	15% Shift	20% Shift
Residential (\$16.53 last year)	0.59	0.47	0.34	0.21	0.08
C I P (\$16.53 last year)	0.59	1.45	2.31	3.16	4.02

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FY '09 vs. FY '10	Fiscal Year 2009			Fiscal Year 2010	
	Average Value	Avg. Tax Bill	Tax Rate was	Average Value	Value change
Average Single Family Home	507,466	8,388.41	16.53	512,103	0.91%
Average Residential Condominium	271,866	4,493.94	16.53	258,238	-5.01%
"Average Residential"	414,533	6,852.23	16.53	415,149	0.15%
"Average Commercial / Industrial"	914,428	15,115.50	16.53	874,722	-4.34%
Average Commercial	885,171	14,631.88	16.53	846,527	-4.37%
Average Industrial	906,158	14,978.79	16.53	872,125	-3.76%

Percentage change in Tax Rate from 09 to proposed 10 Rates ...	NO SHIFT	5% Shift	10% Shift	15% Shift	20% Shift
Residential (\$16.53 last year)	3.57%	2.84%	2.06%	1.27%	0.48%
C I P (\$16.53 last year)	3.57%	8.77%	13.97%	19.12%	24.32%

Proposed FY 10 Tax Bill (Using updated average values for FY 10)	NO SHIFT	5% Shift	10% Shift	15% Shift	20% Shift
Average Single Family Home	8,767.21	8,705.76	8,639.18	8,572.61	8,506.03
Average Residential Condominium	4,421.04	4,390.05	4,356.48	4,322.91	4,289.34
"Average Residential"	7,107.35	7,057.53	7,003.56	6,949.59	6,895.62
"Average Commercial / Industrial"	14,975.25	15,727.51	16,479.77	17,223.28	17,975.54
Average Commercial	14,492.55	15,220.56	15,948.57	16,668.12	17,396.13
Average Industrial	14,930.78	15,680.81	16,430.84	17,172.14	17,922.17

Average Dollar change to Tax Bill (Using updated avg. values for 10)	NO SHIFT	5% Shift	10% Shift	15% Shift	20% Shift
Average Single Family Home	378.80	317.35	250.77	184.20	117.62
Average Residential Condominium	-72.90	-103.89	-137.46	-171.03	-204.60
"Average Residential"	255.12	205.30	151.33	97.36	43.39
"Average Commercial / Industrial"	-140.25	612.01	1,364.27	2,107.78	2,860.04
Average Commercial	-139.33	588.68	1,316.69	2,036.24	2,764.25
Average Industrial	-48.01	702.02	1,452.05	2,193.35	2,943.38

Average % change to Tax Bill (Using updated avg. values for 10)	NO SHIFT	5% Shift	10% Shift	15% Shift	20% Shift
Average Single Family Home	4.52%	3.78%	2.99%	2.20%	1.40%
Average Residential Condominium	-1.62%	-2.31%	-3.06%	-3.81%	-4.55%
"Average Residential"	3.72%	3.00%	2.21%	1.42%	0.63%
"Average Commercial / Industrial"	-0.93%	4.05%	9.03%	13.94%	18.92%
Average Commercial	-0.95%	4.02%	9.00%	13.92%	18.89%
Average Industrial	-0.32%	4.69%	9.69%	14.64%	19.65%

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CONSTANT VALUE ANALYSIS

FY 2009 Tax Bills based on ...		2009 Tax Bill
Single Family Home valued at	300,000	4,959.00
Residential Condo valued at	125,000	2,066.25
Typical Commercial valued at	450,000	7,438.50
Typical Industrial valued at	550,000	9,091.50

FY 2010 Tax Bills (Dollars)	NO SHIFT	5% Shift	10% Shift	15% Shift	20% Shift
\$300,000 Single Family	5,136.00	5,100.00	5,061.00	5,022.00	4,983.00
\$125,000 Residential Condo	2,140.00	2,125.00	2,108.75	2,092.50	2,076.25
\$450,000 Commercial Property	7,704.00	8,091.00	8,478.00	8,860.50	9,247.50
\$550,000 Industrial Property	9,416.00	9,889.00	10,362.00	10,829.50	11,302.50

Change in Tax Bills, 09 - 10 (\$)	NO SHIFT	5% Shift	10% Shift	15% Shift	20% Shift
\$300,000 Single Family	177.00	141.00	102.00	63.00	24.00
\$125,000 Residential Condo	73.75	58.75	42.50	26.25	10.00
\$450,000 Commercial Property	265.50	652.50	1,039.50	1,422.00	1,809.00
\$550,000 Industrial Property	324.50	797.50	1,270.50	1,738.00	2,211.00

Change in Tax Bills, 09 - 10 (%)	NO SHIFT	5% Shift	10% Shift	15% Shift	20% Shift
\$300,000 Single Family	3.57%	2.84%	2.06%	1.27%	0.48%
\$125,000 Residential Condo	3.57%	2.84%	2.06%	1.27%	0.48%
\$450,000 Commercial Property	3.57%	8.77%	13.97%	19.12%	24.32%
\$550,000 Industrial Property	3.57%	8.77%	13.97%	19.12%	24.32%

Effect of Shifting the Tax Rate

Average Single Family Valuation : \$ 512,103

	No Shift	5% Shift	10% Shift	20% Shift
Tax Rate	17.12	17.00	16.87	16.61
Tax Bill	8,767.21	8,705.76	8,639.18	8,506.03
Savings	~	61.45	128.03	261.18

Effect of Shifting the Tax Rate

Average Residential Condo Valuation : \$ 258,238

	No Shift	5% Shift	10% Shift	20% Shift
Tax Rate	17.12	17.00	16.87	16.61
Tax Bill	4,421.04	4,390.05	4,356.48	4,289.34
Savings	~	30.99	64.56	131.70

Effect of Shifting the Tax Rate

Average Residential Valuation : **\$ 415,149**

	No Shift	5% Shift	10% Shift	20% Shift
Tax Rate	17.12	17.00	16.87	16.61
Tax Bill	7,107.35	7,057.53	7,003.56	6,895.62
Savings	~	49.82	103.79	211.73

Effect of Shifting the Tax Rate

Average Commercial Valuation : \$ 846,527

	No Shift	5% Shift	10% Shift	20% Shift
Tax Rate	17.12	17.98	18.84	20.55
Tax Bill	14,492.55	15,220.56	15,948.57	17,396.13
Added Tax	~	728.01	1,456.02	2,903.58

Effect of Shifting the Tax Rate

Average Commercial/Industrial Valuation: \$874,722

	No Shift	5% Shift	10% Shift	20% Shift
Tax Rate	17.12	17.98	18.84	20.55
Tax Bill	14,975.25	15,727.51	16,479.77	17,975.54
Added Tax	~	752.26	1,504.52	3,000.29

Effect of Shifting the Tax Rate

Average Industrial Valuation : \$ 872,125

	No Shift	5% Shift	10% Shift	20% Shift
Tax Rate	17.12	17.98	18.84	20.55
Tax Bill	14,930.78	15,680.81	16,430.84	17,922.17
Added Tax	~	750.03	1,500.06	2,991.39

